

From: [Bone, Matthew](#)
To: [Liza Kerr](#); [Beltran-Schmitz, Laura](#)
Subject: proposed rule changes
Date: Friday, March 3, 2023 8:48:04 AM
Attachments: [image001.png](#)
[image002.png](#)

Liza – I apologize for the late response on the draft rule, but we do have some questions regarding the AB. Annual Reports section, point 2.

- This states IPA’s are to review the performance measures submitted to the LFC, which does that indicate the agencies are required to include this now in their annual reports as well?
- Is this to be done in accordance with au-c 720 similar to point 1?
- When are these submitted to the LFC? Are there issues with timing of these and the audit itself?
- The scope of what is being asked of the IPA is vague. What is expected by “review” and are these expectations in conflict with 720, which are not providing any assurance with other information?

statewide ACFR for the state’s net OPEB liability and other OPEB-related information.

AB. Annual Reports: are defined as A document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity’s operations and the entity’s financial results and financial position as set out in the financial statements. An annual report contains, accompanies, or incorporates by reference the financial statements and the auditor’s report thereon and usually includes information about the entity’s developments, its future outlook and risks and uncertainties, a statement by the entity’s governing body, and reports covering governance matters. Annual reports include annual reports of governments and organizations for charitable or philanthropic purposes that are available to the public.

(1) IPA’s are required to review any annual reports in accordance with AU-C 720.

(2) IPA’s are to review the **performance** measures submitted to the legislative finance

committee.

Reporting

.24 At the date of the auditor's report, when the auditor has obtained all the other information, the composition of which was determined through discussion with management and for which the auditor obtained management's written acknowledgment (pursuant to paragraph .13a), the auditor should include a separate section in the auditor's report on the financial statements with the heading "Other Information" or other appropriate heading. The "Other Information" section in the auditor's report on the financial statements should include the following: (Ref: par. .A56)

- a. A statement that management is responsible for the other information
- b. An identification of other information and a statement that the other information does not include the financial statements and the auditor's report thereon
- c. A statement that the auditor's opinion on the financial statements does not cover the other information and that **the auditor does not express an opinion or any form of assurance thereon**
- d. A statement that, in connection with the audit of the financial statements, the auditor is responsible to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated
- e. A statement that, if, based on the work performed, the auditor concludes that an uncorrected material misstatement of the other information exists, the auditor is required to describe it in the auditor's report
- f. If the auditor has concluded that an uncorrected material misstatement of the other information exists, a statement that the auditor has concluded that an uncorrected material misstatement of the other information exists and a description of it in the auditor's report



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